



2011 County Property Tax Summary - PRELIMINARY

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For the 3rd year, the Florida Association of Counties has compiled the proposed property tax numbers for counties across the state to reflect the reductions and changes that have occurred the past four years.

Counties primarily provide public safety, fire, emergency medical services, public record-keeping, jails, parks, libraries, health care, economic development, comprehensive planning, and roads, just to name a few.

Each year unlike the state and federal government, counties are required to establish the property tax rate needed to provide services for their community. State and federal government work within the confines of a predetermined tax rate. For instance, if the sales tax rate is 6% then tax revenue is determined by how much is sold and the state budget is determined based off the revenue expected.

County governments have the opportunity to determine the costs of services mandated by law, critical public safety services and important services then set the tax rate that will ensure these demands are met. However, it is evident in the following report that with the drop in property values – close to 26 percent combined over the last four years – most local governments did not raise property taxes at all and eight exceeded the statutorily mandated roll back rate.

When local governments begin establishing their budgets they are required by the end of August to submit to the state their maximum proposed millage rate. Once that rate is established most counties then debate their proposed budget and millage rates making many changes along the way. Following the debate a minimum of two public hearings are held where citizens and community leaders can discuss their concerns and support of budget items.

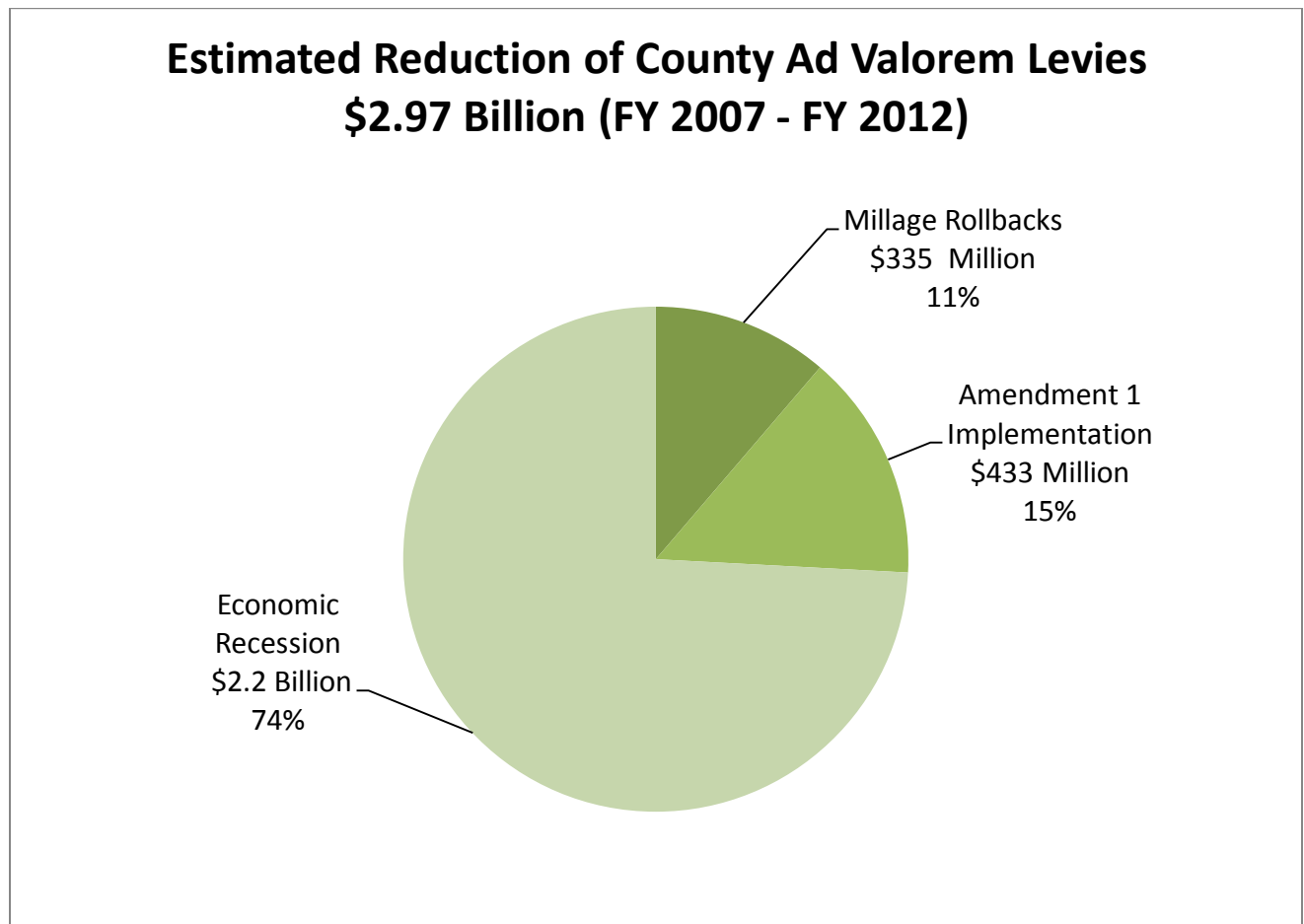
Throughout the budget process the millage rate may change many times, however, it can not exceed the rate given to the state in August. Therefore, many local governments may establish a higher preliminary millage rate to provide more room for debate and discussion and then will reduce that rate upon the final adoption of the budget at the end of September.

This report covers only the preliminary millage rates and a revised report will be completed after the first of the year when final millage rates and property values have been reported and verified.

Three major factors have impacted property taxes in Florida since 2007: the recession and resulting decline in property values, the implementation of the roll back rates (2007) and Amendment 1 (2008). This year alone counties have reduced revenue by nearly \$409 million¹

¹ Data for all 67 of Florida's counties is based off of their preliminary property tax data submitted to the Florida Department of Revenue on Form-DR420. The aggregate millage rate will likely decrease once final millage rates and property values are set at the end of 2011.

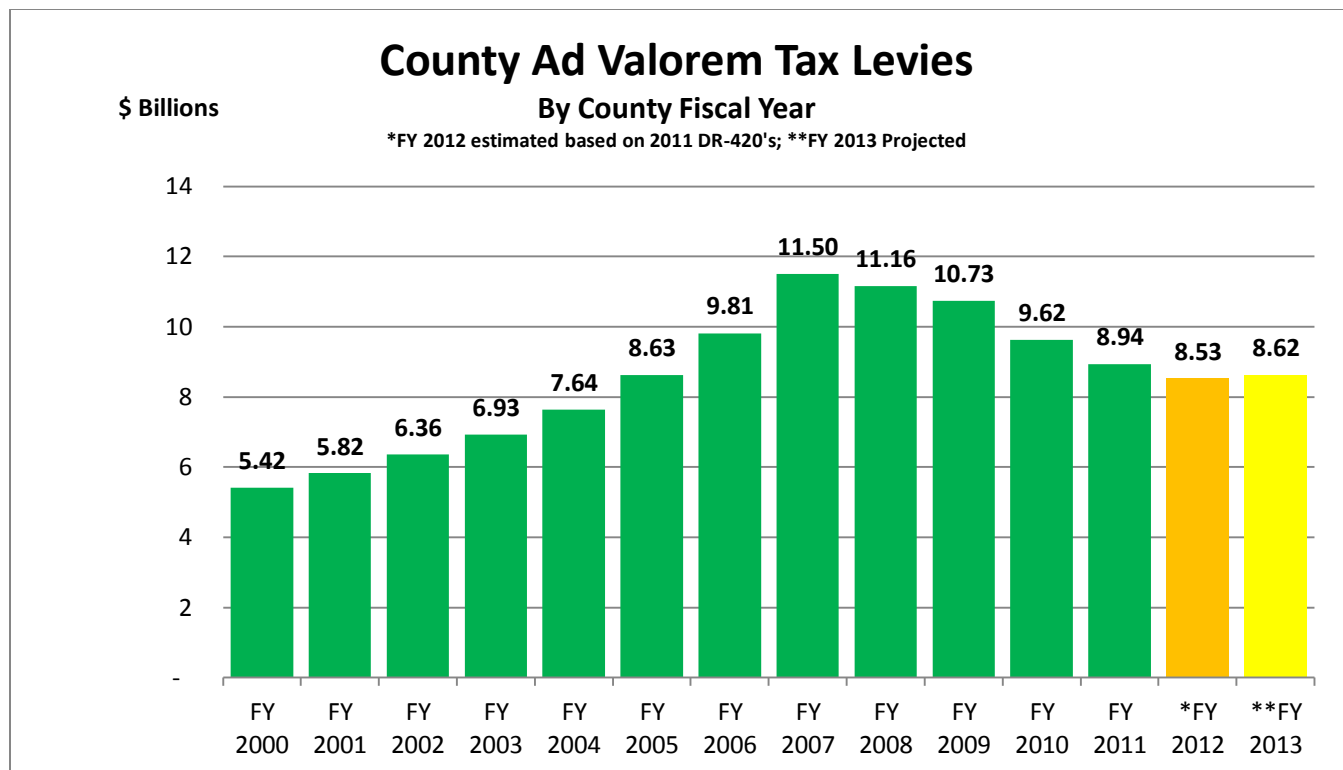
(4.6%). In five years, that reduction totals \$3 Billion or 25.8%². These reductions have resulted in major workforce cuts as well as cuts to all levels of service.



With property taxes influenced by the decline in property values as well as previous changes to the property tax system, 2011-12 property tax revenues are below 2004-05 revenues (see next chart). If current economic trends continue, counties will remain near or below 2004-2005 revenue levels until after 2013-14³.

² Historical data for County Ad Valorem Tax Levies provided by LCIR Florida County Tax Profile 1999-2009.

³ Future estimates of County Ad Valorem Levies use a combination of data provided by the Office of Economic and Demographic Research for Change in Taxable Values and New Construction Values. Future estimates of County Ad Valorem Levies assume no change in the proposed "aggregate statewide millage rate" of 7.5222.



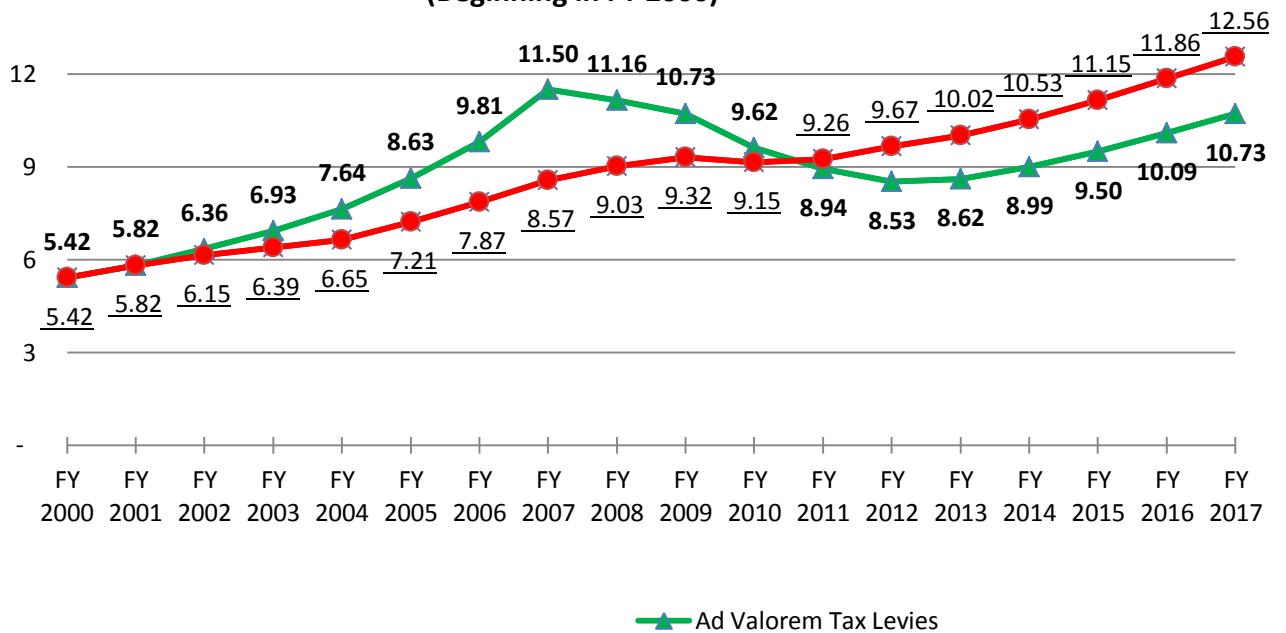
The next chart reflects actual property tax revenue numbers in comparison to the guidelines established by the Legislature in 2007⁴. This chart clearly outlines that economic conditions and existing property tax changes have realigned property tax revenues with the trend lines established by the Legislature. Based on proposed millage rates counties are more than \$1 billion below the statutory trend line for FY 2012.

⁴ Historical and future estimates of population and change in personal per capita income provided by data from the Office of Economic and Demographic Research. Historical and future estimates of the "capped" trend line were calculated by applying the combined change in population and per capita personal income against the total amount of taxes levied in the previous year. This calculation does not take into account any other factors used in the traditional calculation of millage rates and ad valorem tax levies. Additionally, the estimates do not take into account any other changes in Florida Ad Valorem law.

County Ad Valorem Tax Levies by Fiscal Year

\$ Billions

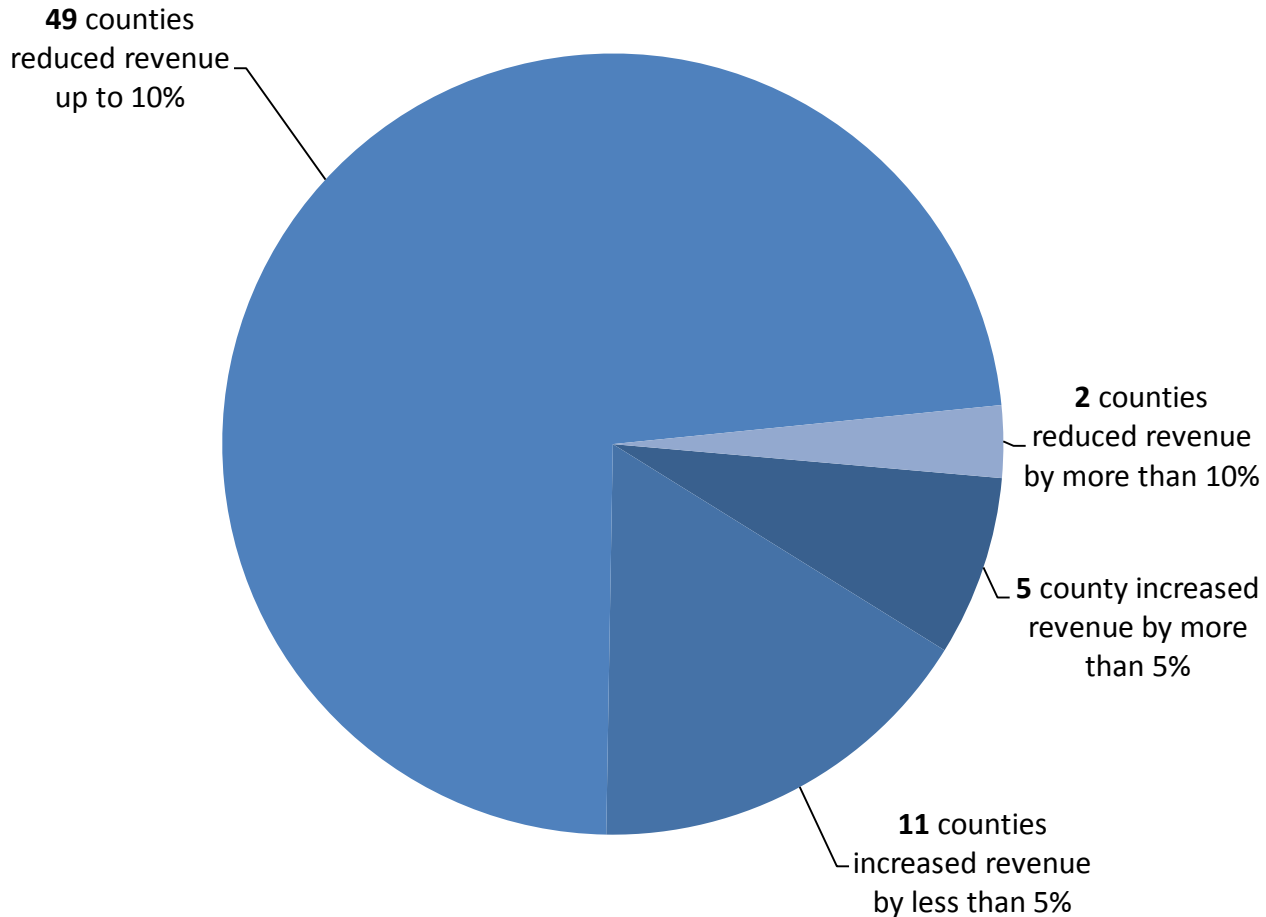
Actual Levy vs. Capped Levy
(Beginning in FY 2000)



It can be reasonably argued that the jump in property values from 2006-2007 was an anomaly and the free market has leveled tax rates in such a manner that will likely keep local government revenue below any policies that the legislature has or may enact.

This year 51 counties (76%) will collect less property tax revenue and 16 counties (24%) will collect more property tax revenue than in 2010-11. Of those 51 counties, 2 of them have reduced their tax revenue by greater than 10%, and 49 have reduced their tax revenue up to, but below 10%. Of the 16 counties with increased property tax revenue, 11 counties increased their revenue by less than 5% and 5 by more than 5%. Fiscally constrained counties account for 10 of those 16 counties that voted to increase their property tax revenues.

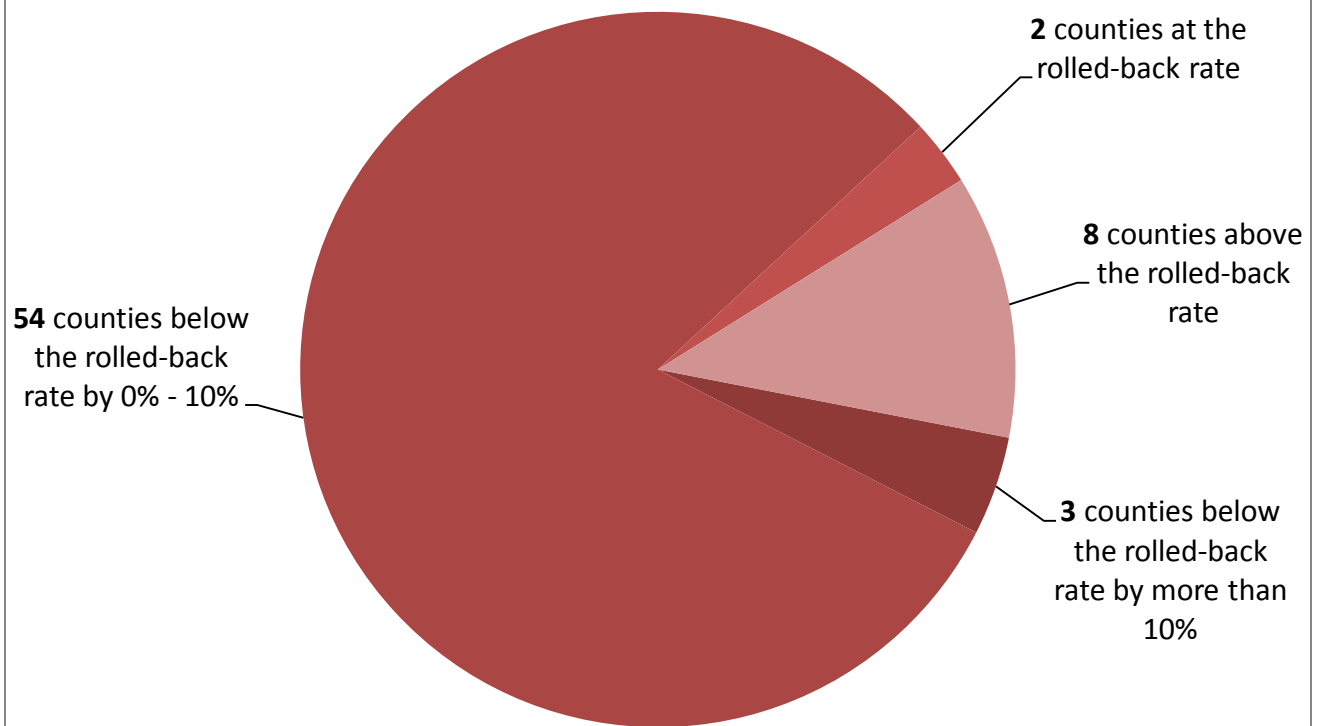
2011 Tax Year - All Florida Counties Revenues



If you were to look at these numbers in comparison to the statutory rollback rate, you would see that 57 counties are below the rollback rate, 2 counties met the rollback rate and 8 counties exceeded the rollback rate⁵.

⁵ Data for all 67 of Florida's counties is based off of their preliminary property tax data submitted to the Florida Department of Revenue on Form-DR420. The aggregate millage rate will likely decrease once final millage rates and property values are set at the end of 2011.

2011 Tax Year - All Florida Counties Rolled-back Rates



Florida's strength is in her diversity and her counties paint that picture. While every county has made reductions over the last four years, each has done so in a manner that serves the unique community they represent.

The Florida Association of Counties (FAC) is committed to not only serving our members but providing our legislative partners with accurate and critical information needed to make ongoing tax decisions. It is clear that counties, just as the state, have been forced by many factors to make dramatic reductions and they have done so accordingly.



PRELIMINARY - FACT SHEET

County Property Taxes 2011-12

Property taxes levied in 2011-12 are **reduced by 4.6% or \$409 Million** from 2010-11
Property taxes levied have reduced by 26% or **\$2.97 Billion** since 2006-07

Property Taxes Collected by Counties⁶

| | |
|------------------------|-----------------|
| 2012-2013* (Projected) | \$8.63 Billion |
| 2011-2012 | \$8.53 Billion |
| 2010-2011 | \$8.94 Billion |
| 2009-2010 | \$9.62 Billion |
| 2008-2009 | \$10.73 Billion |
| 2007-2008 | \$11.16 Billion |
| 2006-2007 | \$11.5 Billion |

Average County Proposed % Change in Taxes Levied (2011-12): **-2.84%**
Average County Proposed Percent Change in Tax rate compared to Rollback Rate: **-3.45%**

Est. taxable property values: *\$1.28 Trillion, a reduction of 3.41% or \$45.3 Billion* from 2010-11.

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PRELIMINARY - FACT SHEET

County Property Taxes 2011-12

30 counties increased their millage rate, of those 22 remained at or below the rollback rate. For Example: Brevard County, increased the millage by 16.56% yet remain 1.36% BELOW the rollback rate with \$210,000 in decreased revenues - a .12% drop from 2011.

PRELIMINARY DATA 2011-2012 (September 2011)

51 counties (76%) will collect less property tax revenue

16 counties (24%) will collect more property tax revenue

57 counties are below the roll back rate

2 counties are proposing to adopt the roll back rate⁷

- Holmes County
- Levy County

8 counties could exceed the roll back rate

- Alachua County .02%
- Madison County .13%
- Citrus County 1.26%
- Saint Lucie County 1.69%
- Saint Johns County 3.97%
- Okeechobee County 4.09%
- Franklin County 5.14%
- Hendry County 6.89%

.83%: 2012 New Construction as a percent of 2011 Gross Taxable Value

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